

Exhibit C

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

RARE BREED TRIGGERS, LLC, a Florida
Limited Liability Company, and ABC IP
LLC, a Delaware Limited Liability Company,
Plaintiffs,

No. 1:21-cv-00149-RH-GRJ

vs.

BIG DADDY ENTERPRISES, INC., a Florida
Corporation, d/b/a BIG DADDY
UNLIMITED, INC., and WIDE OPEN
ENTERPRISES, LLC, a New Mexico Limited
Liability Company d/b/a WIDE OPEN TRIGGERS,

Defendants.

VIDEOTAPED

DEPOSITION OF: LAWRENCE DEMONICO

(Conducted via videoconference)

DATE: October 13, 2021

TIME: 9:05 a.m. to 2:38 p.m.

PURSUANT TO: Notice by counsel for
Defendants for purposes of
discovery, use at trial or
such other purposes as are
permitted under the Florida
Rules of Civil Procedure

BEFORE: KATHLEEN K. OHMAN, RMR
Notary Public, State of
Florida

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APPEARANCES:

GLENN D. BELLAMY, ESQUIRE

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Tampa, Florida 33607

Attorneys for Defendants

ALSO PRESENT:

Alex Montalvo, Videographer

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A. Lawrence Alexander Demonico.

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20 Q. So you told us a minute ago that you are
21 in your house in Austin, Texas. Are you a full-time
22 resident in Austin?

23 A. Yes.

24 Q. Have you ever lived in Florida?

25 A. No.

1 Q. Have you ever had a business office in
2 Florida?

3 A. Can you elaborate? Do I personally have a
4 business office in Florida or do we have a business
5 office in Florida related to this business?

6 Q. So let's start with you personally, and I
7 appreciate the clarification. Do you personally
8 have a business office in Florida?

9 A. No, I do not.

10 Q. And does Rare Breed have a business office
11 in Florida?

12 A. Yes.

13 Q. And where is that, sir?

14 A. 255 Primera Boulevard in Lake Mary,
15 Florida.

16 Q. Is that Mr. Maxwell's -- the address of
17 his law firm as well?

18 A. It is.

19 Q. Is anyone at that location a full- or
20 part-time employee of Rare Breed?

21 A. Kevin is an employee of Rare Breed as
22 well.

23 Q. What type of -- and, I'm sorry, I should
24 have made this clear. When I say "Rare Breed," I
25 will be referring to the plaintiff in this case,

1 Rare Breed Triggers, LLC, unless I say something
2 different, okay?

3 A. Okay.

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9 Q. You signed a declaration in this case that
10 was attached to the plaintiff's motion for
11 preliminary injunction. Do you recall that?

12 A. I do.

13 Q. In that declaration you state that you are
14 the president of Rare Breed. Do you currently hold
15 that office?

16 A. I currently hold that office, yes.

17 Q. And how long have you been the president
18 of Rare Breed?

19 A. Since we started Rare Breed.

20 Q. And Rare Breed is a Florida limited
21 liability company; is that right?

22 A. That is correct.

23 Q. Who are the other current officers of Rare
24 Breed?

25 A. Just me.

1 Q. Have there ever been any other officers
2 other than yourself?

4 Q. And who would that be and when did he or
5 she hold an office?

13 A. No, sir, just ownership interest.

16 A. Will you explain that to me?

19 A. I no longer own any interest in Rare Breed
20 Triggers.

23	A. Yes.
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1 A. I don't specifically remember the
2 interest. I cannot tell you the specific date that
3 I resigned my ownership from Rare Breed Triggers. I
4 would have to look that up, but I can look that up
5 for you if you would like me to look and find that
6 date.

7 Q. We may talk about that a little bit later.

8 A. Okay.

9 Q. Who is the current owner of Rare Breed?

10 A. Kevin Maxwell.

11 Q. And does Mr. Maxwell own 100 percent of
12 Rare Breed?

13 A. That is correct.

14 Q. You mentioned a few individuals a moment
15 ago, including Mr. Register and another gentleman
16 who I believe his first name is [REDACTED]?

17 A. That is incorrect.

18 Q. [REDACTED]

19 A. That is correct.

20 Q. Did those two individuals ever own any
21 interest in Rare Breed?

22 A. Yes.

23 Q. And did they also divest themselves of
24 their ownership interest?

25 A. That is correct.

1 Q. And did that happen about the same time
2 you divested yourself of your ownership interest?

3 A. Yes, it did.

4 Q. Why did the three of you divest yourself
5 of your ownership interests?

6 A. On advice of counsel.
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1 Q. Article 4, which is on the second page of
2 Exhibit 2, has [REDACTED]
3 [REDACTED] under the
4 individuals authorized to manage the company. Do
5 you see that?

6 A. I do.

7 Q. And your address is listed as 733 West
8 Colonial Drive, Orlando Florida 32804.

9 Do you recognize that address?

10 A. I do.

11 Q. And what address is that?

12 A. That is the company's previous address.

13 Q. Before the Primera address?

14 A. That is correct.

15 Q. You said that Mr. Maxwell is current owner
16 of 100 percent of Rare Breed. Of course you also
17 testified you are the president.

18 What are your duties as president?

19 A. I have many duties: Planning, a
20 way-forward. Typical 50,000-foot view. Future
21 development, future projects. You know, potential
22 business agreements, partnerships.

23 Q. Does [REDACTED] have any current
24 relationship with Rare Breed?

25 A. He is not an owner or an officer, no.

1 than the FRT-15?

2 A. I do not believe so.

3 Q. Has Rare Breed ever obtained any revenue
4 of any kind other than for the sale of the FRT-15
5 trigger?

6 A. I do not believe so.

7 Q. Does Rare Breed provide any repair
8 services for any of its triggers for which it
9 charges customers money?

10 A. I do not believe so.

11 Q. We just referred to the 223 patent, which
12 is referred to in paragraph 22 of your declaration.
13 Are you generally familiar with that patent?

14 A. As much as a layman would be.

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22 Q. The next question is, to get this chain
23 correct, Rare Breed obtained the 223 patent from
24 Wolf Tactical; is that right?

25 A. That is correct.

1 Q. If I could ask you to look at Exhibit
2 Number 5, please.

3 (Defendants' Exhibit Number 5 was marked
4 for purposes of identification.)

5 THE WITNESS: Okay.

6 BY MR. JOHNSON:

7 Q. Do you recognize this document to be the
8 assignment from Wolf Tactical to Rare Breed?

9 A. Not familiar with page one of this
10 document, but page two, the intellectual property
11 assignment of rights document, yes, I am familiar
12 with that.

13 Q. And that document, below Mr. Rounds'
14 signature, is dated May 7, 2020; is that right?

15 A. Yes, that is what it's dated.

16 Q. Does that comport with your recollection
17 that Rare Breed obtained the 223 patent at
18 approximately May 2020?

19 A. That makes sense, yes.

20 Q. Were you involved in any way in the
21 acquisition of the patent from Wolf Tactical?

22 A. Yes.

23 Q. And in what fashion were you -- did you
24 participate in that acquisition?

25 A. I handled the acquisition. I dealt with

1 Jeffrey Cooper Rounds to purchase the patent.

2 Q. Mr. Rounds worked on behalf of Wolf
3 Tactical and you worked on behalf of Rare Breed;
4 fair enough?

5 A. Sure.

6 Q. Did Rare Breed pay Wolf Tactical anything
7 for the 223 patent?

8 A. Yes.

9 Q. How much?

10 A. [REDACTED]

11 Q. And how was the purchase price arrived at?

12 A. Good question. I don't recall.

13 Q. Do you recall who made the first monetary
14 offer, so to speak?

15 A. No, I don't.

16 Q. Would there be documents or emails in
17 which that question might be answered?

18 A. I do not know.

19 Q. Was there anyone else on behalf of Rare
20 Breed that was involved in the negotiation or
21 acquisition of the 223 patent?

22 A. Not that I recall.

23 But, you know, before I give that specific
24 answer, can you define "involved"? Were there
25 conversations? I'm sure there were conversations,

Page 24

1 but I'm the only one that dealt with Jeffrey Cooper
2 Rounds. I don't want to be misleading or not answer
3 you thoroughly.

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Q. Thank you. So what I'm trying to understand is, was Rare Breed created with the idea that it would acquire the 223 patent?

A. Rare Breed was created to specifically enter this space and sell a trigger. I don't --

Q. Is it fair to understand that [REDACTED] all decided that this was a business venture that the [REDACTED] of you wanted to get into?

A. It did begin that way, yes.

Q. You said that Wolf Tactical was paid [REDACTED] for the 223 patent. Was it -- is it entitled to any other payments of any kind? Any royalties, or anything like that?

A. No.

Q. Who is the current owner of the 223 patent?

A. ABC IP.

Q. And that's the other plaintiff in this matter, correct?

A. It is.

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5 Q. Can you explain to us how ABC became the
6 owner of the 223 patent?

7 A. The patent was transferred to ABC IP from
8 Rare Breed.

9 Q. Who are the owners of ABC?

10 THE WITNESS: Glenn?

11 MR. BELLAMY: Well, I want to interject an
12 objection.

13 My issue here is the relevance of this to
14 the issues at hand of the preliminary
15 injunction motion.

16 ABC is a plaintiff. As an LLC entity,
17 it's owner of the patent. It's not -- on
18 selling the trigger, Rare Breed is -- can you
19 explain to me the relevance of the ownership of
20 ABC to the issues at hand?

21 MR. JOHNSON: So, among other things,
22 there is an assertion in the declaration about
23 the Rare Trigger ABC business plan, so I'm
24 entitled to understand who was involved with
25 ABC, who runs ABC, who negotiated the purchase,

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[REDACTED]

A. We do not require dealers to sell at any specific price. We cannot -- we cannot dictate that, and we have not pushed out, like, a paper -- actual official agreement on MAP pricing either, but we, once again, did not have an official MAP price agreement with BDU either.

It was, you know, a verbal understanding.

Q. The dealers to which Rare Breed now sells triggers, are those all independent, arm's length relationships? Rare Breed doesn't have any interest in any of those dealers, does it?

A. No.

Q. Is Rare Breed -- let me take a step back. I will tell you that I have gone to your website several times in the past couple of weeks. I've clicked the "buy now" button and every time I do that the "sold out" screen comes up.

Do you know if Rare Breed has sold any triggers from its website in, say, the last 14 days?

A. Of course we have.

1 Q. And what do you base that on?

2 A. I mean, what do you mean what do I base
3 that on?

4 Q. How do you know that?

5 A. I can tell you with 100 percent certainty
6 we have sold triggers on many days in the last 14
7 days.

8 Q. So the fact that the "sold out" button --
9 "sold out" screen shows up doesn't necessarily mean
10 that Rare Breed is generally out of inventory. It
11 just means at that moment it's out of inventory; is
12 that right?

13 A. Right.

14 So if we listed triggers for sale at 8:00
15 a.m eastern, and they sold out in an hour, and you
16 checked at 9:05 eastern, it's going to say "sold
17 out." We do not take back orders. We don't sell a
18 product that we don't have ready to ship.

19 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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22 BY MR. JOHNSON:

23 Q. Mr. Demonico, I think I know the answer to
24 this question, and if I have asked it before, please
25 forgive me, but you are selling directly off your

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10 Q. Good afternoon, Mr. Demonico. Prior to us
11 going back on the record, Mr. Bellamy advised me
12 that you have some additional information, things
13 you are now able to testify about, and the first of
14 those I wanted to ask you about was the royalty
15 between Rare Breed and ABC.

16 A. [REDACTED]
[REDACTED]
[REDACTED]

19 Q. So, to be clear, that is a payment from
20 Rare Breed to ABC for each unit sold; is that right?

21 A. That is a licensing fee for each unit
22 sold.

23 [REDACTED]
[REDACTED]
[REDACTED]

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11 Q. How was the royalty between Rare Breed and
12 ABC calculated or negotiated?

13 A. I can't answer that question. I don't
14 know. It was math involved and it was definitely a
15 drawn-out process. I could research that and get
16 back to you.

17 I'm not trying to avoid answering that. I
18 just don't -- I don't remember how we came to that
19 figure.

20 Q. Do you recall if Rare Breed thought it was
21 a fair royalty?

22 A. I don't -- I don't remember having that
23 thought one way or the other.

24 Q. Do you know if ABC thought it was a fair
25 royalty?

1 is rumored to be coming to the market, which is -- I
2 believe it is called the Star Fire. The Graves Star
3 Fire. It's not on the market as of now.

4 And then there is the -- it's tough.
5 Like, I would also mention the 3MR, but the 3MR is
6 not -- like, it is partially reset. It is not reset
7 the same way that ours is. It has its own patents
8 on its technology and it is different than the
9 patent that we use in our technology.

10 Q. When you said the Graves Star Fire, is
11 this Mr. Graves? Thomas Allen Graves?

12 A. That is.

13 Q. And has Rare Breed sent Mr. Graves a cease
14 and desist letter with respect to the Star Fire
15 trigger?

16 A. I have.

17 Q. And what is the nature of that cease and
18 desist letter?

19 A. That it uses our patent. It would
20 infringe on our patent.

21 Q. Has Rare Breed sent any other cease and
22 desist letters to any other third party about any
23 potential threatened or alleged actual infringement?

24 A. Yes, I have sent a cease and desist to
25 GunBroker. There are numerous companies reselling

1 the WOT on GunBroker, and I've sent GunBroker a
2 cease and desist in regards to all of those
3 companies selling WOTs on GunBroker.

4 Q. Any other cease and desist letters?

5 A. Well, I can tell you I would have used
6 counsel to do it, and before I give you an absolute
7 "no," I'd like to refer to counsel and say have we
8 sent any other ones that you can remember that I am
9 not remembering?

10 MR. BELLAMY: I can remind you that I
11 believe we sent a letter to who we believed to
12 be the prospective manufacturer for Graves.

13 THE WITNESS: That is correct. I am
14 sorry. Thank you for reminding me.

15 His name is [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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24 Q. We've been talking about triggers that
25 allow the AR-15 to shoot more quickly than with the